

**MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY**  
**Housing Choice Voucher Program**  
**Policy/Procedure Manual**

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**APPENDIX A – UTILITY ALLOWANCES**  
**General Information**

1. The Utility Schedule is used for **Tenant-paid** utilities.
2. Utility schedules are divided by region, effective date, utility type, and unit size.
3. MSHDA does **not** pay utility bills or utility deposits.
4. Allowances must always be used based on the actual **unit size** (i.e. number of bedrooms).
5. Calculations:
  - a. Utility allowance is added to Contract Rent to equal Gross Rent. Gross Rent must generally be less than or equal to the Payment Standard.
  - b. Utility allowance must be subtracted from the FMR limit to determine maximum Contract Rent.
  - c. The Total Tenant Payment (TTP) minus the utility allowance equals Tenant Rent. If a negative amount results, the Tenant receives a Utility Reimbursement check from MSHDA on a monthly basis.
6. Separate water & sewer rates are now included on the schedule.
7. Gas service charge must be added if Tenant pays for gas.
8. Electric service charge has been added to the new schedule.
9. Sales taxes are included on the chart.
10. Air Conditioning allowance is applicable if Tenant is responsible for electric bill and (a) lives where windows are designed not to open (i.e., high rise) or (b) medical verification requires air conditioning for health reasons.
11. Range allowance of \$5.00 is applicable if Tenant provides range (or in some cases, microwave).
12. Refrigerator allowance of \$6.00 is applicable if Tenant provides refrigerator.
13. Wood Heat – Use the Wood Heat Estimated Cost form (MSHDA 17).
14. Shared Utility Agreement (MSHDA 88) – Required for situations where one bill is issued by the utility company but the utility expense is shared by more than one rental unit.
15. If unit size is more than 5 bedrooms, use the 5 bedroom rate.